

**BEFORE THE
EDUCATION AUDIT APPEALS PANEL
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:)

Case No.: 01-39

CORCORAN UNIFIED
SCHOOL DISTRICT)

OAH No.: N-2001110279

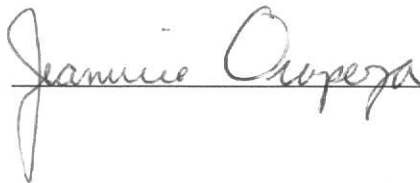
Petitioner/Appellant)
_____)

DECISION

The EDUCATION AUDIT APPEALS PANEL adopts the attached Proposed Decision of the Administrative Law Judge as its Decision in the above-entitled matter.

This Decision shall become effective on July 28, 2003.

IT IS SO ORDERED July 28, 2003.

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State Bar No. 190019
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STEVE WESTLY, State Controller

8
9 THE STATE OF CALIFORNIA
10 EDUCATION AUDITS APPEALS PANEL

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13 In the Matter of: the
Statement of Issues Against:

Case No.: 01-39
OAH No. N-2001110279

14 CORCORAN UNIFIED SCHOOL DISTRICT,
15
16 Appellant

**STIPULATION AND PROPOSED
DECISION**

17
18 All of the parties to this action hereby agree to enter into the following stipulation,
19 resulting in complete resolution of the matter. Accordingly, the State Controller's Office (SCO),
20 the Department of Finance (DOF), and Corcoran Unified School District (CORCORAN), hereby
21 agree as follows:

22 **RECITALS**

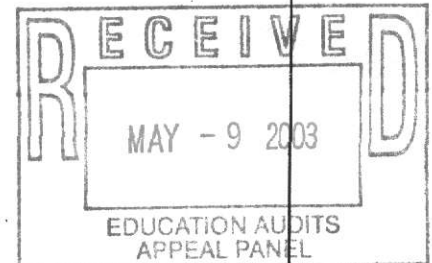
- 23 A. The independent accountant, Diane M. Augusto, CPA, conducted an audit of
24 CORCORAN for the fiscal year ending June 30, 2000.
25 B. On page 42 of the audit report, Ms. Augusto identified an apportionment significant
finding. Finding 00-6 stated that as a result of a review of the class size reduction

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Office of Administrative Hearings,

By Cheryl Frost



1 program, the auditor noted that a long-term substitute teacher did not have a valid
2 California teaching credential. This resulted in the overstatement of two pupils (equating
3 to \$1,688) on the Form J-7CSR for class size reduction funding, and also resulted in an
4 overstatement of 2.14 ADA on the second period attendance report and 1.59 ADA on the
5 annual attendance report for grades 1-3.

6 C. CORCORAN timely submitted its appeal of finding 00-6 to the Education Audits Appeal
7 Panel (EAAP) on August 16, 2001.

8 D. In an order to resolve the finding before hearing counsel for CORCORAN submitted
9 documentation on several occasions to the SCO for review by their auditors.

10 E. After review of the submitted documentation the SCO has come to the conclusion that the
11 students involved in finding 00-6 were actually under the direct supervision and control
12 of a certificated teacher, in that the long-term substitute who was not properly certificated
13 was "team teaching" with a permanent, properly certificated teacher.

14 AGREEMENT

15 A. The SCO, DOF and CORCORAN agree that the students involved in finding 00-6 were
16 actually under the direct supervision and control of a certificated teacher, in that the long-
17 term substitute who was not properly certificated was "team teaching" with a permanent,
18 properly certificated teacher.

19 B. The parties agree that this factual conclusion necessitates a withdrawal of the finding, in
20 so far as it relates to the supervision of students solely by an uncertificated teacher, and
21 the loss of ADA associated with that finding. Therefore, the finding is withdrawn as to
22 the existence of students solely under the supervision of an uncertificated teacher, and the
23 disallowance of 2.14 ADA on the second period attendance report and 1.59 ADA on the
24 annual attendance report for grades 1-3 is withdrawn.
25

- 1 C. The parties also agree that the factual conclusion made above does not affect the
2 conclusion of finding 00-6 that specifically pertains to the determination concerning the
3 class size reduction program, since that program is based on the ratio of students to
4 certificated teachers. Therefore, there was an overstatement of two pupils on the Form J-
5 7CSR, and CORCORAN is obliged to return the funding for those two pupils (\$1,688).
6 D. The parties agree that upon CORCORAN's payment of the \$1,688.00, DOF and SCO
7 agree to release all issues relating to finding 00-6 and that CORCORAN's audit for the
8 year ending June 30, 2000 will be completely resolved and concluded.
9 E. CORCORAN agrees to withdraw it appeal, with prejudice, of finding 00-6 of the annual
10 audit for fiscal year 1999-00.

11 OFFICE OF THE STATE CONTROLLER

12 Dated: 5 May 03

13 By: Shawn D. Silva
14 SHAWN D. SILVA
15 Attorney for STEVE WESTLY,
16 State Controller

17 DEPARTMENT OF FINANCE

18 Dated: May 5, 2003

19 By: Barbara Sheldon
20 BARBARA SHELDON
21 Attorney for Department of Finance

22 CORCORAN UNIFIED
23 SCHOOL DISTRICT

24 LOZANO SMITH

25 Dated: 4/14/03

By: Ruth E. Mendyk
RUTH E. MENDYK
Attorney for Corcoran Unified
School District

1 This stipulation is adopted and submitted to the Education Audits Appeal Panel as my
2 proposed decision in the above-entitled matter.

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4 Dated: 5-7-03


Administrative Law Judge

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25 Word #60582